

City of Phoenix

*Meeting Location:
City Council Chambers
200 W. Jefferson St.
Phoenix, Arizona 85003*



City of Phoenix

Agenda

Tuesday, November 18, 2025

2:30 PM

phoenix.gov

City Council Policy Session

If viewing this packet electronically in PDF, open and use bookmarks to navigate easily from one item to another.

OPTIONS TO ACCESS THIS MEETING

Virtual Request to speak at a meeting:

- Register online by visiting the City Council Meetings page on phoenix.gov at least 2 hours prior to the start of this meeting. Then, click on this link at the time of the meeting and join the Webex to speak:

<https://phoenixcitycouncil.webex.com/phoenixcitycouncil/onstage/g.php?MTID=e41015270d93b88f86f6a747a930d58a9>

- Register via telephone at 602-262-6001 at least 2 hours prior to the start of this meeting, noting the item number. Then, use the Call-in phone number and Meeting ID listed below at the time of the meeting to call-in and speak.

In-Person Requests to speak at a meeting:

- Register in person at a kiosk located at the City Council Chambers, 200 W. Jefferson St., Phoenix, Arizona, 85003. Arrive 1 hour prior to the start of this meeting. Depending on seating availability, residents will attend and speak from the Upper Chambers, Lower Chambers or City Hall location.
- Individuals should arrive early, 1 hour prior to the start of the meeting to submit an in-person request to speak before the item is called. After the item is called, requests to speak for that item will not be accepted.

At the time of the meeting:

- Watch the meeting live streamed on phoenix.gov or Phoenix Channel 11 on Cox Cable, or using the Webex link provided above.
- Call-in to listen to the meeting. Dial 602-666-0783 and Enter Meeting ID 2557 649 2428# (for English) or 2557 225 3960# (for Spanish). Press # again when prompted for attendee ID.

- Watch the meeting in-person from the Upper Chambers, Lower Chambers or City Hall depending on seating availability.
- Members of the public may attend this meeting in person. Physical access to the meeting location will be available starting 1 hour prior to the meeting.

Para nuestros residentes de habla hispana:

- Para registrarse para hablar en español, llame al 602-262-6001 al menos 2 horas antes del inicio de esta reunión e indique el número del tema. El día de la reunión, llame al 602-666-0783 e ingrese el número de identificación de la reunión 2557 225 3960#. El intérprete le indicará cuando sea su turno de hablar.
- Para solamente escuchar la reunión en español, llame a este mismo número el día de la reunión (602-666-0783; ingrese el número de identificación de la reunión 2557 225 3960#). Se proporciona interpretación simultánea para nuestros residentes durante todas las reuniones.
- Para asistir a la reunión en persona, vaya a las Cámaras del Concejo Municipal de Phoenix ubicadas en 200 W. Jefferson Street, Phoenix, AZ 85003. Llegue 1 hora antes del comienzo de la reunión. Si desea hablar, regístrese electrónicamente en uno de los quioscos, antes de que comience el tema. Una vez que se comience a discutir el tema, no se aceptarán nuevas solicitudes para hablar. Dependiendo de cuantos asientos haya disponibles, usted podría ser sentado en la parte superior de las cámaras, en el piso de abajo de las cámaras, o en el edificio municipal.
- Miembros del público pueden asistir a esta reunión en persona. El acceso físico al lugar de la reunión estará disponible comenzando una hora antes de la reunión.

CALL TO ORDER

COUNCIL INFORMATION AND FOLLOW-UP REQUESTS

This item is scheduled to give City Council members an opportunity to publicly request information or follow up on issues of interest to the community. If the information is available, staff will immediately provide it to the City Council member. No decisions will be made or action taken.

CONSENT ACTION

This item is scheduled to allow the City Council to act on the Mayor's recommendation on the Consent Agenda. There is no Consent Agenda for this meeting.

CALL FOR AN EXECUTIVE SESSION

A vote may be held to call an Executive Session for a future date.

REPORTS AND BUDGET UPDATES BY THE CITY MANAGER

This item is scheduled to allow the City Manager to provide brief informational reports on topics of interest to the City Council. The City Council may discuss these reports but no action will be taken.

DISCUSSION AND POSSIBLE ACTION (ITEM 1)

1 Housing Trust Fund Policy - Citywide

Page 5

Attachments

[Attachment A - Housing Trust Fund Policy.pdf](#)

ADJOURN



Housing Trust Fund Policy - Citywide

This report provides an overview of the City of Phoenix's Housing Trust Fund and requests City Council approval of the Housing Trust Fund Policy.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Summary

The City of Phoenix has long prioritized increasing the supply of housing for all income levels and family sizes. Building on this prioritization of housing, Phoenix City Council approved the City of Phoenix's first housing policy plan, the Housing Phoenix Plan, in 2020. The City has exceeded the Housing Phoenix Plan's goal of creating or preserving 50,000 housing units by 2030 with more than 61,000 housing units created or preserved as of September 2025.

Understanding the need for additional funding tools and to further the commitment toward affordable housing within the City of Phoenix, Phoenix City Council created the Phoenix Housing Trust Fund on May 21, 2025. Funded through American Rescue Plan Act (ARPA) interest earnings in addition to contributions from Government Property Lease Excise Tax (GPLET) and rezoning projects, the Housing Trust Fund currently has a balance of \$3.5 million.

A housing trust fund is a dedicated source of funding for affordable housing activities that is administered at the local level. Taking the City of Phoenix's affordable housing needs and priorities into account, the Housing Department has developed a Housing Trust Fund Policy to guide the administration and use of funds for the City's Housing Trust Fund. The policy provides a framework for administration of the fund and future funding awards, outlines permissible uses of fund dollars, sets priorities for funding awards and specifies parameters of those awards. The proposed Housing Trust Fund Policy is included as **Attachment A**.

Responsible Department

This item is submitted by Deputy City Manager Gina Montes and the Housing Department.

ATTACHMENT A

DRAFT - City of Phoenix Housing Trust Fund Policy

Purpose

This policy is intended to outline the administration and use of the City of Phoenix's Housing Trust Fund. The Housing Trust Fund is intended to accelerate and support the creation and preservation of affordable housing within Phoenix.

Background

While the City has long prioritized increasing the supply of housing for families at all income levels and family sizes, there remains a great need for additional housing resources for low-income and extremely low-income families. The City's 2024 Housing Needs Assessment concluded that there was an affordable rental housing gap of approximately 59,000 affordable and available units for households at or below 50 percent of the area median income.

Arizona State statutes restrict the use of tools other jurisdictions utilize to increase the supply of affordable housing like housing-related impact or linkage fees, tax increment financing and inclusionary zoning. These restrictions, coupled with fluctuations in federal and state funding levels, increased competition for low-income housing tax credits and existing affordable housing units reaching the end of their required affordability period, necessitate additional investment in the creation and preservation of affordable housing within Phoenix.

Understanding the need for additional funding tools, Phoenix City Council created a Housing Trust Fund on May 21, 2025.

Funding

The Housing Trust Fund may be funded by any source available to the City, including but not limited to, the following:

- General Fund contributions as designated by City Council
- American Rescue Plan Act (ARPA) interest earnings
- Government Property Lease Excise Tax (GPLET) project payment in-lieu contributions
- Rezoning project payment in-lieu contributions
- Bond proceeds
- Proceeds from the sale or lease of real property
- Philanthropic donations designated for the Housing Trust Fund

Administration

The Housing Trust Fund will be administered by the Housing Department.

The Housing Department will be responsible for developing and implementing the procedures to execute disbursement of approved fund activities. These responsibilities include the necessary program development, agreement management, project monitoring and affordability compliance to ensure prudent investment of Housing Trust Fund resources. Accordingly, a small portion of funds, not to exceed 15 percent of the total fund annually, may be utilized for Housing Department administrative expenses.

Disbursement and use of Housing Trust Fund funds must be consistent with this policy and any developed programmatic guidelines. All funding award recommendations will be brought to City Council for approval prior to agreement execution.

Funding distribution priorities will be prepared by the Housing Department and periodically reviewed by City Council for consistency with current housing needs.

Use of Funds

Use of Housing Trust Fund funds should accelerate and support the creation or preservation of affordable housing within Phoenix. The following list of permissible uses is designed to provide flexibility in addressing Phoenix's housing needs, while providing consistency with Housing Phoenix Plan policy initiatives.

- *Homeownership Activities*
 - Expanding efforts to advance affordable homeownership through further investment in established Open Doors Down Payment Assistance and Community Land Trust programs
- *Preservation and Strategic Acquisitions*
 - Enabling the acquisition of existing residential developments for purposes of preservation or transitional housing and/or strategic land purchases for the purposes of affordable housing creation
- *Affordable Housing Pre-Development and Construction Short-Term Loans*
 - Supporting development projects through a revolving loan fund that provides low-interest, short-term loans for pre-development and/or construction periods
 - Funds provide a substitute source for higher-cost equity in a project's capital stack to enable more projects to come to fruition

- *Gap Financing for City Affordable Housing Development Projects*
 - Strengthening efforts to redevelop City-owned property with affordable housing and community amenities through Choice Neighborhoods, Housing Phoenix Plan-affiliated sites and other identified redevelopment projects
- *Gap Financing for Private Affordable Housing Development Projects*
 - Furthering the impact of the existing federal HOME-funded Affordable Rental Housing program, funding will be used to partner with non-profit and for-profit affordable housing developers to create or preserve affordable rental or homeownership units in projects of all sizes
 - Funds are permitted to support a project's plan review, permit or impact fees in addition to development costs
 - Eligibility not limited to low-income housing tax credit (LIHTC) projects
- *Other Uses Meeting Housing Trust Fund Policy Intent*
 - Providing additional adaptability to support creative housing solutions, as determined by the Housing Director and approved by City Council

Funding Priorities

Recommendations for project funding will need to demonstrate consistency with outlined funding priorities. Funding priorities have been developed to address the needs identified in the 2024 Housing Needs Assessment, ability of projects to leverage City funds and enhanced project design.

- *Affordable Housing Needs* – Funding is intended to assist households at or below 80 percent of the area median income. Additional consideration will be given for projects that integrate mechanisms to serve households at or below 50 percent of the area median income, which is the greatest need identified in the 2024 Housing Need Assessment. An exception for the creation of ADUs may be permitted.
- *Leverage of City Funds* – The City's Housing Trust Fund is a finite source of funding. As such projects, where feasible, should seek to leverage other funding sources or community partnerships to enhance the lives of residents.
- *Enhanced Project Design* – Projects that seek Housing Trust Fund assistance should integrate thoughtful and enhanced design features. Features can include units that provide inclusivity for larger families, sustainability elements designed to support lower utility costs and/or accessibility features to enhance quality of life for seniors or persons with disabilities.

Expectations for consistency with funding priorities will be further outlined in program documentation based on project type and level of funding.

Funding Parameters

Funding programs will encompass the below funding parameters. As applicable, parameters are designed to be consistent with the City's existing affordable housing funding programs.

For non-city affiliated projects, detailed information on specific funding parameters will be outlined in developed program documentation and communicated to project applicants.

- *Funding Limits*
 - Minimum and maximum subsidies per unit or per project that are regularly updated based on current housing costs
- *Distribution of Funding*
 - Funding provided as low-interest loan, forgivable loan or grant, as appropriate based on applicant entity and funding source
- *Minimum Affordability Terms*
 - Prescribed based on use and amount of funding provided, based on existing funding programs:
 - 40 years for gap financing
 - 5 to 15 years for down payment assistance
 - In perpetuity for the community land trust
 - 5+ years for other programs
- *Affordability Restrictions*
 - Secured via land use restrictive agreement (LURA), deed of trust or other deed restriction